



# California Health Facilities Financing Authority (CHFFA)

Quarterly Newsletter  
Summer 2012

*Providing low-cost financial  
assistance to public hospitals  
and private, nonprofit health  
care providers in California*

## CHFFA News

### Tax Exempt Bond Program Fees Reduction

The board recently voted to reduce fees paid by tax exempt bond borrowers. Effective May 2012, the board voted to eliminate the \$500 application fee, reduce the initial issuance fee from 7.5 basis points to 5 basis points and lower the cap on these fees from \$300,000 to \$100,000, reduce the annual fee from 2.0 basis points to 1.75 points of the outstanding par amount of bonds (the cap of \$150,000 remains in place), and eliminate the \$500 resolution extension fee. In addition to the financial benefit promised by these fee reductions, CHFFA intends to continue its community reinvestment efforts as reflected through the other programs CHFFA offers and which CHFFA continues to develop in other issue areas.

### Health Expansion Loan Program II (HELP II) Maximum Loan Amount Increase

In an effort to expand access to health care, the board recently voted to increase the maximum cumulative loan amount available under its Healthcare Expansion Loan Program II (HELP II) from \$750,000 to \$1,000,000, which became effective May 2012. HELP II's low cost loan program offers small and rural health facilities access to less expensive (3%) capital to purchase or construct new facilities, remodel or renovate existing facilities, or purchase equipment or furnishings. To be eligible, facilities' gross annual revenues cannot exceed \$30 million unless the facility is a rural or district hospital.

### Legislation Update

CHFFA is in the process of creating a new grant program aiming to support a demonstration project for the innovative delivery of health care to vulnerable populations. CHFFA seeks to utilize up to \$6.5 million of its fund balance to find unique and effective ways of enhancing access to quality care. Authority for the grant program rests in the hands of the governor. CHFFA hopes to announce authorization in the next newsletter edition!

## Health Care News Summary

*Prepared by Paul Dulai  
May 17, 2012*

### National report shows surge in e-prescribing among health practitioners Healthcare IT News — Erin McCann

More than one third of U.S. prescriptions now are electronic, according to a new report from electronic prescribing network Surescripts. The report found that by the end of 2011, 36% of all prescriptions in the U.S. were electronic, up from 22% in the previous year. The number of electronic prescriptions issued increased from 326 million in 2010 to 570 million in 2011. Of the physicians who started e-prescribing in 2008, up to 60% have met the Stage 1 meaningful use requirement for e-prescribing and about 38% would meet the proposed Stage 2 e-prescribing requirement if it were in effect, according to Surescripts. Under the 2009 federal economic stimulus package, health care providers who demonstrate meaningful use of certified EHR systems can qualify for Medicaid and Medicare incentive payments.

### CHFFA Board Members



**Bill Lockyer**  
State Treasurer  
and Chair



**John Chiang**  
State Controller



**Ana Matosantos**  
Director of  
Finance



**Judith Frank**



**Ronald Joseph**



**Ann Madden Rice**



**Oscar Sablan, M.D.**



**Jack Buckhorn**



**Samuel Qiu**

### Featured CHFFA Board Member Samuel Qiu

*Samuel Qiu has been a board member for a little over a year. He holds a Bachelor's degree in Business Administration from California Polytechnic State University, Pomona and is a California Board Certified Public Accountant. He is involved in various non-profit and health care associations and organizations, and was appointed by the Assembly Speaker as a board member based on his financial expertise and his background in health care. Mr. Qiu said that CHFFA is "right up his alley of interest." He expressed that CHFFA is an important organization and a tool for a lot of health care non-profits to improve and expand and that he is honored to be a part of it all. In his line of work, Mr. Qiu has a passion to help challenged health care organizations turn around so that they can continue to deliver their essential services. Mr. Qiu likes to read and invest internationally. He worked and volunteered for the United Nations where he traveled to the Philippines and China to work on a Micro Finance program, amongst other objectives, to help alleviate poverty.*

## CHFFA Recent Financings

Stanford Hospital & Clinics ("SHC") was recently approved by the board for \$575,000,000 in tax exempt bonds to be used for the construction of a new 820,000 square foot hospital and the refunding of CHFFA Revenue Bonds, Series 2003A. SHC expects the refunding portion will result in a net present value savings of approximately \$4 million over the life of the bonds.— *Michael Tang*

Rady Children's Hospital San Diego ("RCHSD") was recently approved by the board for a Proposition 3 grant, as part of its Children's Hospital Program, for \$34,141,803 to design, acquire, and install computer hardware and software for an electronic medical record system that virtually links the hospital and its Children's Health Network Integrated Delivery System.— *Jim Rennie*

Transitions Mental Health Association ("TMHA") was recently approved by the board, as part of its HELP II Loan Program, for an amount of \$518,000 to refinance a high interest rate loan on a facility used to provide client housing for TMHA's Adult Transitional Program that provides a 24 hour staffed environment in which clients are supported in their efforts to acquire and apply interpersonal and independent living skills. This refinancing will result in a total interest savings of approximately \$168,000 over the life of the loan.

*Carolyn Aboubechara*



### CHFFA Team

#### From Left to Right—

#### Standing:

**Theresa Montiel**  
Executive Assistant

**Jim Rennie**  
Treasury Program Officer

**Carolyn Aboubechara**  
Treasury Program Analyst

**Marissa Sequeira**  
Treasury Program Officer

#### **Bill Lockyer**

State Treasurer and Chair

#### **Paul Dulai**

Treasury Program Analyst

#### **Michael Tang**

Treasury Program Officer

#### **Yassar Dahbour**

Treasury Program Officer

#### **Austin Whitted**

Student Assistant

#### **Tamara McNary**

Office Technician

#### **Janae Davis**

Treasury Program Officer

#### Sitting:

**Barbara Webster-Hawkins**  
Treasury Program Manager

**Martha Maldonado**  
Operations Manager

#### **Rosalind Brewer**

Deputy Executive Director

**Barbara J. Liebert**  
Executive Director

**Patricia Wynne**  
Deputy Treasurer as  
Chair for the Treasurer

**Ray Artinian**  
Treasury Program Manager

### Featured CHFFA Employee

#### Carolyn Aboubechara

*Carolyn has been a Treasury Program Analyst with CHFFA and a state employee for a little over a year and a half. She holds both B.S. and M.B.A. degrees with an emphasis in Finance from CA State University Sacramento. She has great interest in the health care and fixed income fields, which brought her to join us. She enjoys and is motivated by continuous challenges. "I really like the different assignments and projects that I get to work on, the great possibility and access to continuous learning, and the great people I get to work with at CHFFA," said Carolyn. Born in Sacramento, she is fluent in Arabic, which she learned as a teenager attending high school in Lebanon, and she also learned Spanish in college. She loves to travel, shop, and volunteer. She is a volunteer secretary of a founding advisory council for a new local church that she assisted in opening.*

## Stem Cell News Summary

*Prepared by Yassar Dahbour  
June 18, 2012*

Scientists spark the growth of a human eye with stem cells  
io9 — George Dvorsky

Biologists in Japan have grown a human eye precursor from stem cells, and amazingly, it was done without the guidance from a scaffolding structure (the precursor formed on its own). The breakthrough indicates that the information to form such organs are embedded within the cells themselves, and not driven by environmental cues. Researchers hope to take this insight into clinical settings where they hope to repair eye damage directly.

## California Health Facilities Financing Authority

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